

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ADMINISTRATIVE SUPPORT OFFICES
OFFICE OF GENERAL COUNSEL**

(Dollars in Thousands)

	FY 2016 Actuals	FY 2017 Annualized CR	FY 2018 President's Budget
Personnel Services	\$89,722	\$88,143	\$86,827
Non-Personnel Services			
Travel	885	850	915
Transportation of Things	10	348	-
Printing	900	1,000	800
Other services/Contracts	588	1,400	860
Training	482	600	300
Supplies	214	400	175
Claims and Indemnities	774	1,579	550
Non-Personnel Services Subtotal	\$3,853	\$6,177	\$3,600
Working Capital Fund (WCF)			\$1,579
Grand Total	\$93,575	\$94,320	\$92,006
Associated FTE	582.2	557.2	535.9

1. Program Purpose and Fiscal Year 2018 Budget Overview

The General Counsel is the chief legal officer of the Department and is the legal advisor to the Secretary and other principal staff of the Department. The General Counsel provides legal opinions, advice, and services with respect to all programs and Departmental activities, including the development of the Department's programs and policies. The General Counsel is also the head of the Departmental Enforcement Center (DEC), an organization of financial and enforcement analysts that enforces the Department's program requirements.

Administrative Support Offices - Office of General Counsel

In addition to conventional work performed by most departmental general counsel offices, HUD's Office of General Counsel (OGC) also conducts high-dollar value insured loan closings for multifamily housing, nursing homes, hospitals, and elderly and disabled housing programs. OGC, either exclusively or in partnership with DOJ, HUD OIG or HUD Program Offices, also generates recovery income for the Federal Housing Administration (FHA) Fund and pursues programmatic and fair housing enforcement actions.

The fiscal year 2018 President's Budget of \$92,006K is \$2,314K less than the fiscal year 2017 Annualized CR level. However, the fiscal year 2018 President's Budget includes \$1,579K for OGC's allocation towards the Working Capital Fund (WCF), whereas the fiscal year 2017 CR level does not. When the WCF is excluded from fiscal year 2018 President's Budget request, the remaining funds available to support salaries and expenses is \$90,427K, which is \$3,893K less than the fiscal year 2017 CR level.

Personnel Services (PS): Funding of \$86,827K will support 535.9 FTE, an overall decrease of 21.3 FTE from OGC's fiscal year 2017 Annualized CR staffing levels. OGC plans to achieve the reduction in FTE through normal attrition.

Non-Personnel Services (NPS): Funding of \$3,600K provides support for travel, printing, supplies, contracts, training, and claims and indemnities (attorney's fees for personnel litigation). The slight increase in travel funding is due to the reduced staffing levels for attorneys and the need to cover legal work in locations where counsel is no longer physically present. NPS funding supports access to various online legal research and legal support services as OGC continues to reduce its hard copy legal libraries. These services include Lexis/RELX, PACER, HeinOnline, West LegalEdcenter, cyberFeds, and Congressional Quarterly. The reduction in NPS is due to the overall decrease in HUD's budget.

OGC request includes an allocation of \$1,579K to pay WCF fees for shared services and other investments as determined by the Secretary.

OGC dedicates resources to specific Departmental priority goals in the following ways:

- **Priority 1:** OGC will be instrumental to implementing the Administration's regulatory reform efforts. On January 30, 2017, President Trump issued Executive Order 13771, "Reducing Regulation and Controlling Regulatory Costs." The Order caps the incremental costs that may be imposed by agencies through the issuance of new regulations and requires that "any new incremental costs associated with new regulations shall, to the extent permitted by law, be offset by the elimination of existing costs associated with at least two prior regulations." To accomplish the deregulatory goals of the Order, OGC will aid in the evaluation of existing regulations and work with HUD policy officials regarding their repeal, replacement, or modification.
- **Priority 2:** RAD transaction closings are expected to increase and require a significant amount of transactional work for HUD regional and field counsel. In fiscal year 2016, counsel reviewed 222 RAD transactions. In fiscal years 2017 and 2018, OGC expects to review approximately 360 RAD transactions each year. Additionally, there are 170 RAD transactions on the waiting list

Administrative Support Offices - Office of General Counsel

until the RAD statutory cap is lifted. There are also 15,000 letters of intent pending for the waiting list which could generate 170 more deals over the course of fiscal years 2018 and 2019.

- **Priority 3:** OGC leads the Department's efforts to enforce HUD program requirements and protect HUD assets. In fiscal year 2016, OGC efforts contributed to the: (1) recovery of over \$1,500,000K in losses to the FHA Fund; return of \$38,800K in program funds to HUD activities or the Treasury; return of \$18,000K to multifamily housing developments; suspension of 128 irresponsible parties from participation in federal programs; and debarment of 171 irresponsible parties debarred from participation in all federal programs.

2. Full-time Equivalents

Full-time Equivalents			
Staffing	FY 2016 FTE	FY 2017 FTE (Est)	FY 2018 FTE (Est)
Immediate Office of The General Counsel	10	7	7
Deputy General Counsel for Operations	23	23	22
OGC Office of Fair Housing	21	20	18
Director, Departmental Enforcement Center HQ	20	18	17
DEC Satellite Office, Atlanta	17	18	17
DEC Satellite Office, Chicago	13	14	14
DEC Satellite Office, Fort Worth	15	16	16
DEC Satellite Office, Los Angeles	16	14	13
DEC Satellite Office, New York	14	14	13
Office of Program Enforcement	23	22	22
Office of Legislation and Regulations	12	13	13
Office of Finance and Administrative Law	29	29	29
Office of Ethics, Personnel Law and Appeals	20	20	20
Office of Insured Housing	21	21	21
Office of Assisted Housing and Community Development	25	25	24
Office of Litigation	20	18	16
Office of Regional Counsel, Region 1	21.2	20	19
Office of Regional Counsel, Region 2	29	27	25
Office of Regional Counsel, Region 3	27	24	22
Office of Regional Counsel, Region 4	41	39	38
Office of Regional Counsel, Region 5	46	40	38
Office of Regional Counsel, Region 6	35	35	34
Office of Regional Counsel, Region 7	20	19	18
Office of Regional Counsel, Region 8	18	17	17

Administrative Support Offices - Office of General Counsel

Staffing	FY 2016 FTE	FY 2017 FTE (Est)	FY 2018 FTE (Est)
Office of Regional Counsel, Region 9	33	33	32
Office of Regional Counsel, Region 10	13	11.2	10.9
Total	582.2	557.2	535.9

OGC has hired a class of approximately 20 Legal Honors at the end of each fiscal year, depending on available funding, to fill vacancies left by departing and retiring attorneys. This number will be significantly reduced, but not zeroed out in fiscal year 2018. This succession program has staffed OGC and the Department well for 50 years by recruiting qualified and committed legal staff dedicated to the Department's mission.

3. Key Operational Initiatives

In the last eight years, OGC has reduced its physical imprint in field offices, reducing from 44 to 25 Offices of Chief Counsel. By the end of fiscal year 2018, OGC will have closed an additional two Offices of Chief Counsel. These efforts have realized operational efficiencies by consolidating legal operations in OGC Offices of Regional Counsel or other Offices of Chief Counsel and facilitating the reductions in OGC staffing levels. OGC has reorganized its Offices of Regional Counsel, reducing the number of supervisory employees and creating greater flexibilities to address the increased workload. In fiscal year 2018, OGC plans to conduct peer technical assistance reviews in four Offices of Chief Counsel to ensure the quality of legal services being provided to HUD clients and the quality of HUD insured loan closings.